

Bad Arithmetic: The Failure of New York City Housing Authority (NYCHA) Recovery Funds to Create Jobs for Local Residents

A report by Community Voices Heard, October 2010



The Recovery Act Funds Support Much Needed Public Housing Repair Work and Job Creation

The US Federal Government passed the \$787 billion American Recovery and Reinvestment Act (ARRA) of 2009 to create jobs and stabilize the economy, \$4 billion of which was allocated to meet the public housing capital responsibilities overseen by the Department of Housing and Urban Development (HUD). The New York City Housing Authority (NYCHA) received \$423 million from the Recovery Act to make much-needed repairs to public housing developments around New York City. Currently, NYCHA's stock of public housing faces a backlog of \$6 billion in repair needs, as a result of years of federal disinvestment from government housing programs.²

The \$423 million will not satisfy the existing \$6 billion of capital needs at NYCHA developments and serves as a typical example of the sort of "bad arithmetic" that pervades current public housing policy (e.g. \$6 billion in capital needs \neq \$423 million in federal funds). However, this infusion of capital funds is a historic and substantial investment from the federal government.

This investment was intended to not only help improve living conditions within public housing, but also to provide employment opportunities for its residents. There are strict time limits on the use of Recovery Act funds, 60 percent of the funds allocated to NYCHA must be expended by March 17 of 2011. The remaining 40 percent of Recovery Act funds must be expended by March 17 of 2012.³ These time limits underscore the need for the effective use of these funds to create jobs and to make necessary capital improvements to public housing. This report presents the findings of a community audit that looks at whether or not residents received a significant number of the jobs that were created by these funds.



A building at Highbridge Gardens, in The Bronx, where stimulus money funded much needed roof replacement.

The Current Unemployment Crisis: Public Housing Residents Need Jobs

As of September 2010 the national unemployment rate was 9.6 percent, amounting to 14.8 million people who are without work and actively looking for employment.⁴ While this high unemployment rate is staggering, even more staggering is the unemployment rate in communities of color. Indicators show that Black and Latino unemployment rates are significantly higher than the national rate. According to the Bureau of Labor Statistics, the national unemployment rates for Blacks and Latinos are: 15.6 percent and 12.2 percent respectively.⁵

<u>Unemployment Rate by Borough⁶</u>	
Bronx	12.4%
Brooklyn	10.1%
Queens	8.6%
Staten Island	8.5%
Manhattan	7.9%
New York City	9.4%

As of 2005 the unemployment rate amongst NYCHA residents was 17%,⁷ well above the national average at the time, and significantly higher than the current city and national indicators. These conditions lend to the likelihood that unemployment, in this moment of recession, is even higher now. As more than 90% of NYCHA residents are either Latino or African-American,⁸ populations that have historically faced structural barriers to opportunity, unemployment within public housing communities requires the thorough attention of decision-makers within NYCHA and beyond. As will be seen, neither federal policy nor local implementation of that policy is making an impact on this unemployment issue, producing NYCHA's own culture of "bad arithmetic."

Section 3: HUD-Funded Public Housing Repairs Must Create Employment Opportunities for Residents

Section 3, a federal regulation,⁹ stipulates that a portion of all HUD funds used for repairs to public housing be set-aside to create jobs for residents of public housing or those in metropolitan areas making less than 80 percent of the area median income. Thus, it is required that NYCHA not only use Recovery Act money effectively to make improvements to public housing developments, but also to provide employment opportunities to public housing residents consistent with this federal regulation.

Section 3: What do the Federal Regulations Say?

Section 3 states that public housing agencies around the country, such as NYCHA, must ensure that:

- 30 percent of the total number of new hires employed to fulfill public housing capital contracts are to be Section 3 residents.¹⁰
- 10 percent of contracts are to be awarded to Section 3 business concerns.¹¹
- 3 percent of all non-construction contracts are to be awarded to Section 3 business concerns.¹²
- Job training and apprenticeship opportunities are provided to residents. These training and apprenticeship opportunities should be approved by the Bureau of Apprenticeship and Training of the Department of Labor, or a State Apprenticeship Agency.¹³

" You have to stay on NYCHA and the contractors' backs to make sure they hire residents."

- Bronx Tenant Association President

" Section 3 is a good program when it works—but you have to be involved to make sure residents know how to do their paperwork and get their OSHA (Occupational Health and Safety Administration) card."

- Manhattan Tenant Association President

" I've been able to get 7 or 8 residents hired out of about 25 people who were trained. I've had so many people want the training they have to tell folks that the classes are full."

- Bronx Tenant Association President

How does HUD define a Section 3 resident?

A Section 3 resident is qualified by being one of the following three:

- A public housing resident;
- A low-income individual (earning less than 80 percent of area median income); or
- A very low-income individual (earning less than 50 percent of area median income).¹⁴

What are Section 3 business concerns?

Section 3 business concerns are signified by 51 percent or more ownership by Section 3 residents; firms with a workforce composed of at least 30 percent Section 3 workers; and larger contracting businesses that award at least 25 percent of subcontracts to businesses fulfilling either of the aforementioned criteria.¹⁵

What responsibilities does NYCHA have in the administration of Section 3 employment opportunities and contracts?

Federal regulations provide guidelines to public housing agencies, such as NYCHA, for connecting Section 3 employment opportunities with public housing communities. These include:

- Providing information to Section 3 residents about training and employment opportunities, as well as informing Section 3 business concerns of contracting opportunities;¹⁶
- Requiring compliance with Section 3 regulations in contracts with businesses,¹⁷ working with HUD to address contractors who are not in compliance, as well as making efforts to attain contractor compliance;¹⁸ and
- Reporting to HUD concerning efforts to meet Section 3 regulations through an annual summary report.¹⁹

Decision-Making at NYCHA: Federal Regulations Mandate Resident Participation

Part 964 in Title 24 of the Code of Federal Regulations²⁰ allows residents to participate in the policy-making processes that affect New York City's public housing. The 964 regulations, among other things, allocate funding for resident participation to housing agencies on a per unit basis, mandate regular elections for tenant representatives, and require the inclusion of community perspectives in a housing agency's annual plan. The CVH report from January of 2010, *"Democracy (In)Action,"* chronicled the systematic failures by NYCHA to meet 964 regulations, and the subsequent absence of community perspectives in the decision-making process.²¹

Considering the investment of over \$400 million to NYCHA thru the Recovery Act, working to meet 964 regulations continues to be critical to ensuring the democratic administration of New York City's public housing. As Section 3 regulations mandate that Section 3 residents participate in the repair of projects at NYCHA developments, it is important that residents are truly participating in the budgetary process that leads to the selection of such projects. Such participation is critical for community awareness of jobs programs, such as those in place to meet Section 3 hiring benchmarks. Furthermore, since there is more than a year left for NYCHA to expend remaining Recovery Act funding for capital repairs to public housing, and future investments in public housing from the federal government are certain, resident involvement is of absolute importance so that this funding is more deeply connected with residents through employment.

"I know what needs to be fixed in our development. But as far as the stimulus money, NYCHA decided the needs—I don't know how."

- Bronx Tenant Association President

Recovery Act Funded Projects in NYCHA Developments²²

	Development Name	Borough	Type of Repair Work	Amount of Contract	% of Work Completed
1.	344 E. 28th Street	Manhattan	Exterior Repairs and Elevators	\$1,070,000	25%
2.	830 Amsterdam Houses	Manhattan	Elevator Rehabilitation	\$680,000	25%
3.	830 Amsterdam Houses	Manhattan	Rooftop Water Tank	\$340,000	50%
4.	905 Eagle Ave at McKinley Houses	Bronx	Roofing Replacement	\$600,000	100%
5.	Adams Houses	Bronx	Roofing Replacement and Asbestos Abatement	\$3,930,000	25%
6.	Amsterdam Addition Houses	Manhattan	Brickwork Repair and Roofing Replacement	\$2,810,000	25%
7.	Armstrong Houses I and II	Brooklyn	Brickwork Repair and Roofing Replacement	\$2,079,000	25%
8.	Baisley Park Houses	Queens	Brickwork Repair and Roofing Replacement	\$5,520,000	25%
9.	Baisley Park Houses	Queens	Women's Locker Room	\$220,000	50%
10.	Baychester Houses	Bronx	Brickwork Repairs	\$3,720,000	25%
11.	Bayview Houses	Brooklyn	Brickwork Repairs and Stair-hall Windows	\$4,720,000	25%
12.	Beach 41st Street Houses	Queens	Heating Upgrade	\$270,000	100%
13.	Beach 41st Street Houses	Queens	Roofing Replacement	\$6,400,000	25%
14.	Bedford Stuyvesant Houses Rehab	Brooklyn	Elevator Rehabilitation	\$390,000	25%
15.	Betances Houses	Bronx	Firestopping and Apartment Restoration	\$3,220,000	50%
16.	Betances II Houses Rehabs	Bronx	Roofing Replacement	\$570,000	25%
17.	Boston Secor Houses	Bronx	Fuel Oil Tank Replacement	\$260,000	50%
18.	Boulevard Houses	Brooklyn	Brickwork Repairs	\$6,300,000	25%
19.	Bushwick Houses	Brooklyn	Brickwork Repair and Roofing Replacement	\$6,060,000	25%
20.	Castle Hill	Bronx	Roofing Replacement	\$7,350,000	25%
21.	Chelsea Houses	Manhattan	Elevator Rehabilitation	\$1,650,000	25%
22.	College Point Houses Rehab	Queens	Roofing Replacement	\$640,000	50%
23.	Conlon Lihfe Towers Houses	Queens	Roofing Replacement	\$690,000	50%
24.	Drew Hamilton Houses	Manhattan	Brickwork Repair and Elevator Rehabilitation	\$8,350,000	25%
25.	Eastchester Gardens Houses	Bronx	Elevator Rehabilitation	\$4,330,000	25%
26.	Frederick E. Samuel Houses	Manhattan	New Entrance Doors	\$1,720,000	25%
27.	Highbridge Anderson Houses Rehabs	Bronx	Brickwork Repair and Roofing Replacement	\$3,320,000	50%

	Development Name	Borough	Type of Repair Work	Amount of Contract	% of Work Completed
28.	Highbridge Gardens Houses	Bronx	Brickwork Repair and Roofing Replacement	\$1,940,000	50%
29.	Highbridge Nelson Houses Rehabs	Bronx	Brickwork Repair and Roofing Replacement	\$1,910,000	50%
30.	Independence Towers Houses	Brooklyn	Brickwork Repair and Roofing Replacement	\$6,720,000	25%
31.	Johnson Houses	Manhattan	Vacuum pumps, condensate pumps, zone valves	\$390,000	50%
32.	King Towers Houses	Manhattan	Elevator Replacement	\$7,380,000	25%
33.	Kingsborough Houses	Brooklyn	Heating Upgrade	\$2,910,000	50%
34.	Latimer Gardens Houses	Queens	Roofing Replacement	\$890,000	25%
35.	Leavitt Houses	Queens	Roofing Replacement	\$660,000	50%
36.	Lehman Village Houses	Manhattan	Roofing Replacement	\$1,100,000	25%
37.	Linden Houses	Brooklyn	Brickwork Repair, Water Tanks and Entrances	\$5,780,000	25%
38.	Lower East Side Houses Rehab (Group 5)	Manhattan	Roofing Replacement	\$520,000	50%
39.	Lower East Side I Houses	Manhattan	Elevator Rehabilitation	\$750,000	25%
40.	Lower East Side II Houses	Manhattan	Roofing Replacement	\$900,000	25%
41.	Manhattanville Houses	Manhattan	Brickwork Repair and Roofing Replacement	\$4,030,000	25%
42.	Manhattanville Houses Rehab Group II	Manhattan	Elevator Rehabilitation	\$340,000	25%
43.	Manhattanville Houses Rehab Group III	Manhattan	Elevator Rehabilitation	\$310,000	25%
44.	Marble Hill Houses	Bronx	Brickwork Repair and Roofing Replacement	\$7,780,000	25%
45.	Marcus Garvey Houses	Brooklyn	Roofing Replacement	\$2,480,000	25%
46.	Marlboro Houses	Brooklyn	Brickwork Repair and Roofing Replacement	\$14,580,000	25%
47.	Middletown Plaza Houses	Bronx	Brickwork Repair	\$5,460,000	25%
48.	Millbrook Houses and Ext.	Bronx	Elevator Rehabilitation	\$7,410,000	25%
49.	Monroe Houses	Bronx	Structural Repairs to Rooftop Water Tank	\$400,000	100%
50.	Morris I Houses	Bronx	Roof Tank Replacement	\$280,000	100%
51.	Mott Haven Houses	Bronx	Structural Repairs to Rooftop Water Tank Enclosure	\$420,000	50%
52.	Murphy Houses	Bronx	Roofing Replacement and Elevator Rehabilitation	\$840,000	25%
53.	Ocean Hill	Brooklyn	Brownsville Houses	\$4,750,000	25%
54.	PS 139	Manhattan	Elevator Rehabilitation	\$540,000	25%
55.	Queensbridge Houses North	Queens	Exterior Compactor Installation	\$910,000	100%

	Development Name	Borough	Type of Repair Work	Amount of Contract	% of Work Completed
56.	Rutgers Houses	Manhattan	Roofing Replacement	\$2,420,000	25%
57.	Sedgwick Houses	Bronx	Elevator Rehabilitation	\$5,050,000	25%
58.	Sheepshead Bay Houses	Brooklyn	Heating Upgrade	\$2,050,000	50%
59.	Shelton House	Queens	Brickwork Repair	\$2,100,000	50%
60.	Shelton House	Queens	Roofing Replacement	\$840,000	25%
61.	Soundview Houses	Bronx	Brickwork Repair and Roofing Replacement	\$25,230,000	25%
62.	South Jamaica Houses I and II	Queens	Steam Heating Zone Valve Replacement	\$390,000	50%
63.	South Jamaica I and II	Queens	Interior Stair Replacement	\$2,140,000	25%
64.	St. Mary's Park Houses	Bronx	Elevator Rehabilitation	\$2,510,000	25%
65.	Stapleton Houses	Staten Island	Brickwork Repairs and Roofing Replacement	\$4,210,000	50%
66.	Sumner Houses	Brooklyn	Elevator Rehabilitation	\$8,620,000	25%
67.	Tapscott Houses Rehabs	Brooklyn	Roofing Replacement	\$4,780,000	25%
68.	Taylor Wythe Houses	Elevators	Elevator Rehabilitations	\$2,730,000	50%
69.	Throggs Neck Houses	Bronx	Brickwork and Parapet Repairs	\$14,760,000	25%
70.	Thurgood Marshall	Bronx	Elevator Rehabilitation	\$630,000	25%
71.	Unity Plaza (17, 24, 25A)	Brooklyn	Roofing Replacement	\$2,360,000	25%
72.	Unity Plaza Houses(4, 5A, 6)	Brooklyn	Roofing Replacement	\$5,260,000	25%
73.	Van Dyke Houses II	Brooklyn	Brickwork Repair and Roofing Replacement	\$800,000	25%
74.	Washington Heights Houses Rehab IV (C)	Manhattan	Roofing Replacement	\$450,000	25%
75.	Washington Heights Houses Rehab IV (D)	Manhattan	Roofing Replacement	\$460,000	25%
76.	Whitman/Ingersoll Houses	Brooklyn	Apartment Renovations	\$130,000	25%
77.	Whitman/Ingersoll Houses	Brooklyn	Apartment Renovations II	\$6,480,000	50%
78.	Whitman/Ingersoll Houses	Brooklyn	Elevator Rehabilitation	\$21,320,000	25%
79.	Williams Plaza Houses	Brooklyn	Roofing Replacement	\$3,810,000	25%
80.	Wise Towers Houses	Manhattan	Heating Upgrade	\$2,190,000	25%
81.	Woodside Houses	Queens	Roofing and Parapet Replacement	\$19,990,000	25%
82.	Woodson Houses	Brooklyn	Electrical Upgrade	\$1,730,000	50%
83.	Wyckoff Gardens Houses	Brooklyn	Roofing Replacement	\$2,600,000	50%

Community Audit: Making Sure NYCHA is Doing its Job

Methodology of Community Audit

Members of Community Voices Heard (CVH) surveyed 318 public housing residents over the summer of 2010. The surveys took place at seven different NYCHA-administered public housing developments around the city that received money under the Recovery Act. A committee composed of CVH members selected the public housing developments at which residents were surveyed. The criteria used to select developments for survey were: location and diversity of borough, the number of CVH contacts within a building, and most importantly, that a development received funding from the Recovery Act for repair work. The developments visited were:

Development	Borough	Project	Cost
Morris Houses	Bronx	Roof Tank Replacement	\$280,000
Highbridge Gardens Houses	Bronx	Brickwork Repair and Roofing Replacement	\$1,940,000
Sheepshead Bay Houses	Brooklyn	Heating Upgrade	\$2,050,000
Kingsborough Houses	Brooklyn	Heating Upgrade	\$2,910,000
Lehman Village Houses	Manhattan	Roofing Replacement	\$6,670,000
King Towers Houses	Manhattan	Elevator Replacement	\$7,380,000
Beach 41st Street Houses	Queens	Heating Upgrade and Roofing Replacement	\$6,670,000

CVH members were interested to find out how Recovery Act funds were being spent and if these funds were being used to create employment opportunities for residents of public housing. The questions posed to residents covered the following subject matter:

- The level of resident awareness concerning Recovery Act investments in specific NYCHA public housing developments;
- The level of resident awareness that Section 3 regulations require a portion of jobs from public housing capital repair projects to be set aside for residents and others;
- The level of resident awareness of current Section 3 opportunities in NYCHA developments;
- The degree to which residents have gained employment through current or past Section 3 employment opportunities;
- The effectiveness of NYCHA's outreach efforts (e.g., posting Section 3 job announcements); and
- The degree to which the friends and family of those surveyed have been placed at Section 3 jobs.

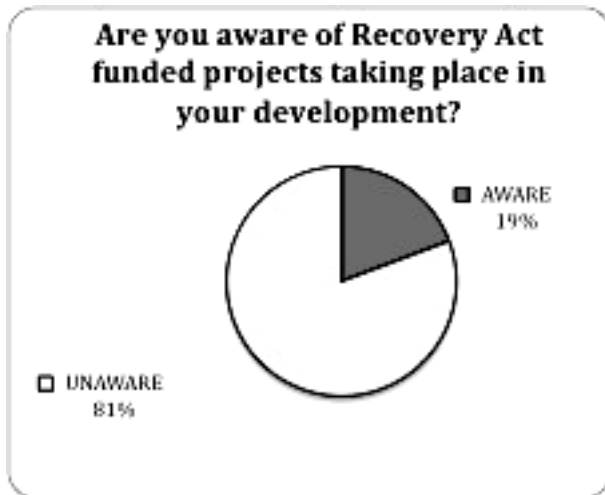
While not statistically significant, the community audit is telling in what it reveals concerning resident awareness of Section 3 employment opportunities. The results, shown in the following section, flag concerns that require further exploration and efforts by NYCHA to ameliorate the apparent failure of Section 3 outreach efforts to connect with public housing residents.



Ervin Sanoguet, CVH member and resident of King Towers, does a survey with one of his neighbors.

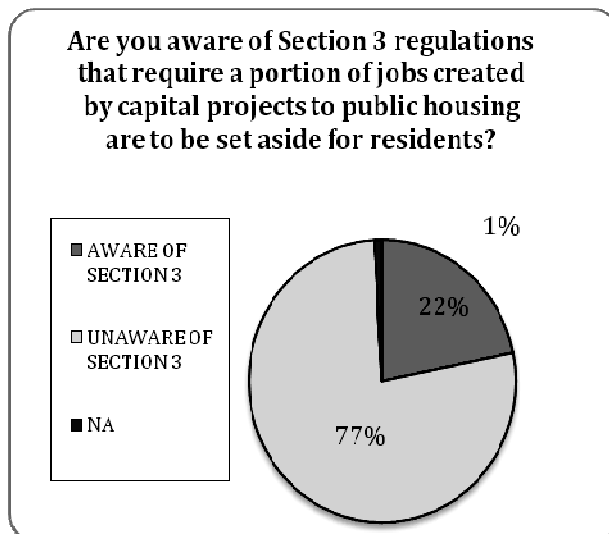
Key Findings from Community Audit

Finding #1: There is a lack of resident awareness concerning the allocation of Recovery Act funds to their developments



Through conversations with residents currently in public housing, it was learned that many residents are not aware of investments from the Recovery Act to the development in which they reside. Since residents have intimate knowledge of repair needs at their developments, it is important that they are consulted in the decision-making processes leading to the allocation of federal funds for repairs.

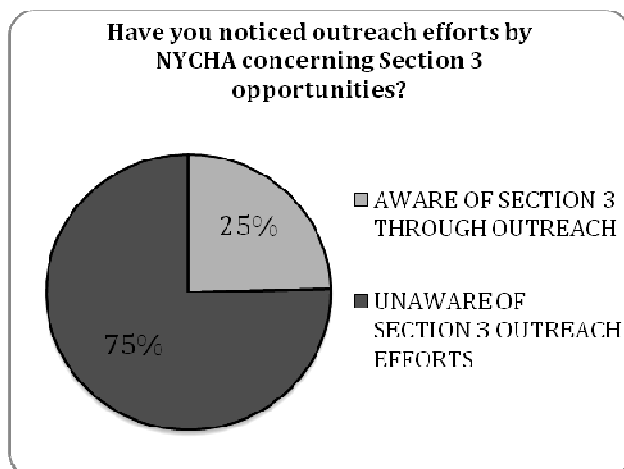
Finding # 2: There is also a lack of resident awareness that Section 3 regulations require a portion of jobs be set aside for those living in, and around, public housing.



Surveying residents revealed that many were not aware of Section 3 regulations.

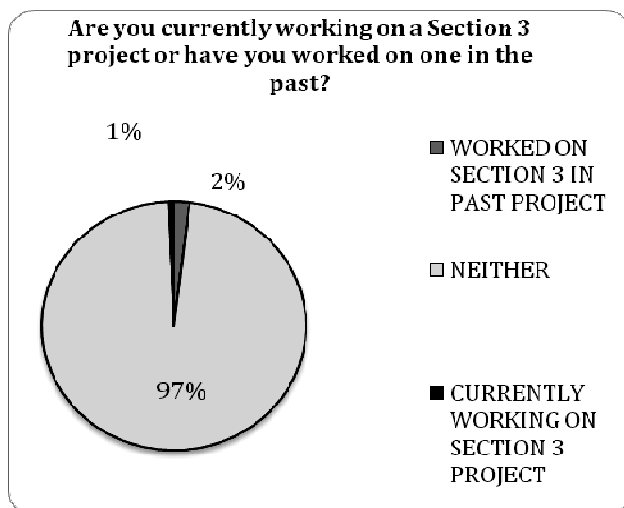
Considering that many of the residents who we spoke with were not aware of investments from the Recovery Act into public housing infrastructure, as well as Section 3 regulations which require a portion of jobs from these investments to be set aside for residents and others, there is a danger that public housing residents may miss out on the employment opportunities provided by HUD and NYCHA via the Recovery Act and other federal investments.

Finding # 3: Many residents have not noticed NYCHA's efforts to inform residents of employment opportunities.



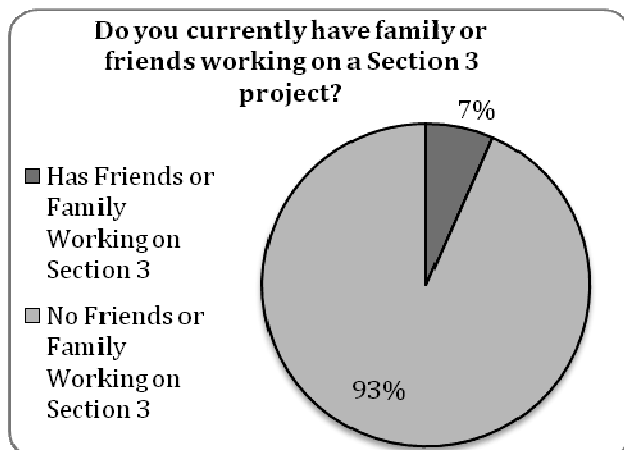
Only a quarter of residents surveyed had noticed flyers, been spoken to by resident leaders, or heard of Section 3 opportunities through the established channels at NYCHA for connecting residents with employment under HUD Section 3 requirements. Based on the previous finding, it is assumed that a portion of respondents are not aware that these outreach efforts are connected with an enforceable federal regulation.

Finding # 4: Of those surveyed, only 1 percent were currently working on a Section 3 project.



Only 1 percent of residents surveyed were currently working on Section 3 projects, and 2 percent had worked on a Section 3 project in the past. The largest number of respondents (97 percent) stated that they were not currently employed through Section 3 opportunities, nor had they been in the past.

Finding # 5: Only 7 percent of residents currently know someone working on a Section 3 project.



When residents were asked if they have any family currently employed through Section 3 projects, most stated that those close to them were not involved in work to repair public housing. Only 7 percent of residents surveyed had family or friends working on projects doing repair work to public housing developments.

Moving Forward: Improving Section 3 Efforts at NYCHA

NYCHA's mandated reporting to the Department of Housing and Urban Development (HUD) for 2009 states that of 1,669 new hires, 974 were Section 3 residents.²³ This is a marked improvement from previous years, such as 2007, when only 91 out of 461 new hires were Section 3 residents.²⁴ While NYCHA's Section 3 reporting in 2009 shows an improvement, enhanced efforts must be made in order to connect residents with employment opportunities. In order to take advantage of the job creation potential left in the time limited Recovery Act funding provided to NYCHA, and future investments in public housing, it is important that NYCHA continue to strengthen its Section 3 efforts.

Despite these improvements in NYCHA's Section 3 reporting, the results of the community audit performed by Community Voices Heard are troubling. Through performing of surveys with residents, and discussing Section 3 with residents, it became clear that many residents were not aware of this federal regulation. Few residents that were surveyed reported currently working on Section 3 projects or having friends or family currently employed at a Section 3 project. Changes have been identified that will help NYCHA residents better benefit from Section 3 regulations. It is critical that NYCHA adopt a more transparent and open management structure, wherein Section 3 performance can be accurately and thoroughly evaluated.

Community Voices Heard Recommendations to NYCHA

Strengthen Efforts to Increase Resident Employment

Recommendation #1: NYCHA should require contractors to ensure that 30% of total hours worked on capital projects are completed by public housing and other low-income residents.

NYCHA's 2009 reporting to HUD showed that they have met the basic guidelines set forth in federal Section 3 regulations, since more than 30 percent of *new hires* were Section 3 residents.²⁵ This is an encouraging development considering that in 2007 NYCHA failed to meet this basic requirement when only 91 public housing residents were connected with Section 3 employment opportunities. While this is a significant improvement and NYCHA's efforts need to be acknowledged,²⁶ they still have not translated to a significant number of jobs for residents. One reason is that Section 3 regulations are weak and only apply when contractors are making new hires. Contractors can avoid complying by saying they will only use their current employees and will not need to make new hires. NYCHA has recognized the limitations of Section 3 and has implemented a stronger policy—they now require contractors to spend at least 15% of labor costs on Section 3 workers. However, it is unclear whether NYCHA has followed through with this policy on all of their contracts. NYCHA estimated that the \$423 million they received in stimulus money would create over 3,200 jobs, but that only 214 would go to residents.



Linda Williams, CVH board member and resident of Highbridge Gardens in the Bronx, leads city and state officials on a tour of recovery funded projects July 2010.

Nonetheless, even if NYCHA does abide by its own policy it is still not positioned to make a big enough impact on the mass unemployment plaguing our low-income communities in New York City. *Congresswoman Nydia Velasquez has proposed the Earnings and Livings Opportunities Legislation,²⁷ which would strengthen Section 3 by requiring that 30 percent of total hours worked on capital projects are completed by Section 3 residents. NYCHA can start to address residents' need for jobs by implementing this policy on their own even before Section 3 is strengthened by Congress.*

Recommendation #2: NYCHA should be comprehensive and transparent in its Section 3 reporting.

Current Section 3 reporting by NYCHA to HUD and the public does not give a comprehensive portrait of the Section 3 residents connected with jobs, and the complete nature of the opportunities that NYCHA has provided. In order to truly understand the effectiveness of Section 3 efforts by NYCHA, it is necessary that reporting become more comprehensive and transparent.

It is recommended that when reporting on the results of Section 3 efforts to HUD and the public, that NYCHA produce specific information that will allow the public to assess the real success of Section 3 implementation. Moving forward, it is recommended, that NYCHA include the following information in its reports to the public:

- *the number of jobs that will lead to permanent employment;*
- *how many jobs are part-time or seasonal;*
- *whether jobs offer benefits and what type;*
- *what percentage of positions are union jobs;*
- *a breakdown by percentage of new hires by gender and race/ethnicity; and*
- *Section 3 reporting for individual capital projects.*

Include Residents More in the Decision Making Process

Recommendation #3: NYCHA should set aside a portion of the capital budget to be allocated by residents through a participatory budgeting process

Through the process of surveying public housing residents, it has become clear that residents have not participated in the decisions that determined the nature of the Recovery Act-funded capital projects in which NYCHA needs to apply the Section 3 regulation. There is no justifiable reason why residents should not meaningfully participate in deciding which recovery projects take priority at their developments. It is important that NYCHA work to build a participatory decision-making process for public housing management and budgeting. Resident participation in budgeting is central to developing effective Section 3 outreach strategies, as well as selecting the projects that will be the source of Section 3 employment opportunities.

It is recommended that NYCHA work towards a participatory budgeting program, as was recommended in CVH's report, "Democracy (In)Action." In the aforementioned CVH report, it was noted that the Toronto Community Housing Corporation (TCHC) has implemented a participatory budgeting process. This process directly consults community members through a system of resident meetings, which work to allocate funds that have been set aside by the TCHC for residents.²⁸ NYCHA should work on developing a system of town hall meetings and public hearings, in order to consult resident needs, and resident knowledge of public housing conditions. These venues for community input should be used as a means of informing resident communities of Section 3 opportunities. There is not a more effective means of dispersing programmatic information within public housing communities, such as Section 3 opportunities, than the communities themselves.

The Need for Jobs, Now More than Ever

In 2005, approximately 20,000 public housing residents were unemployed;²⁹ it is likely that this number has increased in the face of this historical economic downturn in the United States. The Community Services Society of New York estimates the current number of unemployed public housing residents in New York City to be 30,000.³⁰ At best, assuming that all Section 3 jobs created went to formerly unemployed public housing residents, NYCHA managed to give only 214 of the approximate 30,000 unemployed residents Section 3 jobs with \$423 million in Recovery Act funds. This reality exemplifies the “bad arithmetic” of NYCHA’s implementation of federal policy. For public housing residents, \$423 million + 30,000 unemployed ≠ 214 jobs. NYCHA needs to take our research seriously and eliminate the “bad arithmetic” produced by the lack of good policy and will to expand the limits of such policy. While we call for expanded jobs programs for residents of public housing, and all low-income communities in New York City, there are simple steps that NYCHA can take to improve its Section 3 performance outlined in the recommendations included in this brief report.

Conversations with residents suggest that many residents in public housing do not know about these critical opportunities. Most shocking was the percentage of residents who had not seen postings or flyers advertising Section 3 opportunities, suggesting that NYCHA needs to take a more proactive approach in connecting residents with employment. As the Recovery Act was intended to create employment opportunities, it is crucial that public housing residents get their fair share of the jobs under Section 3, and all future increases in government spending on public housing capital needs. In order for this to take place Section 3 must be changed dramatically, in order to ensure that residents are employed at required levels.

Footnotes

¹John Rhea, Congressional Testimony regarding ELOA Legislation.

²“Without House.” Western Regional Advocacy Project.

³“Recovery Act Capital Fund Formula Grant.” Department of Housing and Urban Development. <http://www.hud.gov/offices/pih/programs/ph/capfund/ocir/rcryact-faq.pdf>

⁴US Bureau of Labor Statistics. “*The Employment Situation-2010*.” Aug 6 2010.

⁵*Ibid.*

⁶July Reporting, U.S. Bureau of Labor Statistics

⁷CSS. Making the Connection.

⁸“Public Housing in New York City: Building Communities of Opportunity.” Pratt Center for Community Development. 2009.

⁹Section 3 regulations were adopted as a as part of the Housing and Urban Development Act of 1968

¹⁰CFR 135.30(b)(1)(iii)

¹¹CFR 135.30(c)(1)

¹²CFR 135.30(c)(2)

¹³CFR 135.11(3)

¹⁴CFR 135.5

¹⁵CFR 135.5

¹⁶CFR 135.2(a)

¹⁷CFR 135.2(b)

¹⁸CFR 135.70

¹⁹CFR 135.90

²⁰CFR 964

²¹Democracy (In)Action.

²²NYC Stimulus Tracker.

²³Annual Plan 2010.

²⁴Annual Plan 2009.

²⁵Annual Plan 2010.

²⁶Annual Plan 2009.

²⁷H.R. 3310, 2007; See Also <https://financialservices.house.gov/media/file/hearings/111/63.pdf>

²⁸Democracy (In)Action.

²⁹Community Service Society. Making the Connection.

³⁰Vic Bach. Testimony before City Council Sub-Committee on Public Housing. <http://www.cssny.org/userimages/downloads/Testimony%20Victor%20Bach%20%20-%20NYCHA%20Federal%20Stimulus%20Dollars%20Oct%201,%202009.pdf>

Community Voices Heard Mission Statement

Community Voices Heard (CVH) is an organization of low-income people, predominantly women with experience on welfare, working to build power in New York City and State to improve the lives of our families and communities. We are working to accomplish this through a multi-pronged strategy, including public education, grassroots organizing, leadership development, training low-income people about their rights, political education, civic engagement and direct-action issue campaigns. We are currently working on welfare reform, job creation, public housing and other economic justice issues that affect low-income people, particularly low-income women of color. While we focus on welfare reform, we broadly define welfare activism to be multi-issue, and thus must include issues such as education, training, jobs, housing, economic development and other community issues. We fill a crucial gap in that our organization connects public policy with grassroots organizing and leadership development.

Community Voices Heard Public Housing Campaign

CVH's public housing campaign has been fighting to save and improve public housing in New York City since 2006. The New York City Housing Authority (NYCHA) operates 334 developments of public housing throughout the five boroughs and is home to 5.1% of the city's population. However, public housing is in a state of financial crisis. NYCHA has been operating with a deficit, leading to deteriorating conditions and cutbacks in services for residents. Further, NYCHA is attempting to balance its budget on the backs of its residents through rent and fee increases and further cuts in services. CVH's public housing campaign fights for full funding, increased decision-making power for residents, an end to police harassment, improved maintenance and repairs, and jobs for residents.

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